



# The Hi-Tech Gears Ltd

## COMPANY BACKGROUND.....

- Since its incorporation in 1986, THGL has become a renowned auto component manufacturer, globally supplying engine and transmission components to diverse customers.
- Governed by a strong Board of Directors, including eight eminent independent directors, THGL is led by a highly experienced and professional team, ensuring effective leadership and governance.
- Operating five state-of-the-art plants globally (3 in India, 1 in Canada, and 1 in the USA), THGL meets global demands efficiently, enhancing its production capabilities for precision gears and components.
- THGL's product range includes top-tier precision gears and components for Two Wheelers, Passenger Vehicles, Commercial Vehicles, Agri, On/Off-Highway vehicles. The company is a strategic supplier to various OEMs, specializing in high-quality components.

## BUSINESS MIX (As on FY24).....

- **Commercial, On/Off-Highway, Agri Vehicle Products (31%):** Leading in precision-engineered components for commercial, off-road, and agri vehicle engines, THGL provides robust solutions tailored for rugged environments, ensuring optimal power delivery with an annual capacity of 3.7 million units.
- **Two-Wheeler Products (26%):** Specializing in high-quality transmission gears and shafts for two-wheelers, THGL employs cutting-edge technology and strict quality control measures, boasting a capacity of 30 million units per year and solidifying its position as a trusted partner in the motorcycle industry.
- **Passenger Vehicles Products (42%):** Renowned for manufacturing transmission gears, shafts, driveline components, and steering linkages for passenger vehicles, THGL's precision-engineered solutions contribute to smooth drivetrain performance, with a dedicated annual capacity of 4 million units.

## KEY STRENGTHS.....

- Global leader in high-precision automotive components.
- Versatile manufacturer catering to diverse automotive and engine segments.
- Advanced manufacturing facilities in India, Canada, and the USA.
- Strong, enduring relationships with customers and suppliers.
- Operational excellence through 'Lean' manufacturing and TPM practices.
- Empowered, loyal team with an entrepreneurial spirit.

## FINANCIAL HIGHLIGHTS (INR Mn).....

	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
<b>FY21</b>	7,455	899	12.06%	288	3.86%	15.34
<b>FY22</b>	9,706	817	8.42%	(11)	NA	(0.59)
<b>FY23</b>	11,692	1,414	12.09%	231	1.98%	12.30
<b>FY24</b>	11,069	1,500	13.55%	1,143	10.33%	60.73

## Key Data

<b>BSE Code</b>	522073
<b>NSE Code</b>	HITECHGEAR
<b>Reuters</b>	-
<b>Bloomberg</b>	HTG:IN

## Market Data (INR) As on 31<sup>st</sup> March, 2024

<b>Face Value</b>	10.0
<b>CMP</b>	768.5
<b>52 Week H/L</b>	798.4/243.0
<b>MCAP (Mn)</b>	14,431.0
<b>Shares O/S (Mn)</b>	18.8
<b>1 Yr Avg. Vol. ('000)</b>	69.03

## Performance As on 31<sup>st</sup> March, 2024

	3M	6M	12M
<b>Hi-Tech</b>	64.76%	114.66%	203.75%
<b>Sensex</b>	1.98%	11.91%	24.56%
<b>BSE Small cap</b>	0.73%	14.53%	59.62%

## Shareholding Pattern As on 31<sup>st</sup> March, 2024

<b>Promoters</b>	56.23%
<b>Public</b>	43.77%

**BUSINESS SEGMENTS.....**

**Passenger Vehicles Products:**

- THGL is a renowned manufacturer specializing in passenger vehicle transmission gears, shafts, driveline components, and steering linkage components.
- The company's transmission gears and shafts are precision-engineered to ensure smooth and efficient operation in passenger vehicles, contributing to optimal drivetrain performance.
- The company has a capacity of 4 Mn p.a. dedicated for passenger vehicle transmission gears and shafts as well as driveline components.

**Two-Wheeler Products:**

- THGL specializes in manufacturing high-quality two-wheeler transmission gears and shafts.
- The company's transmission components are precision-engineered to ensure seamless gear shifting and optimal performance.
- The company has a capacity of 40 Mn p.a. dedicated for two-wheeler transmission gears and shafts.

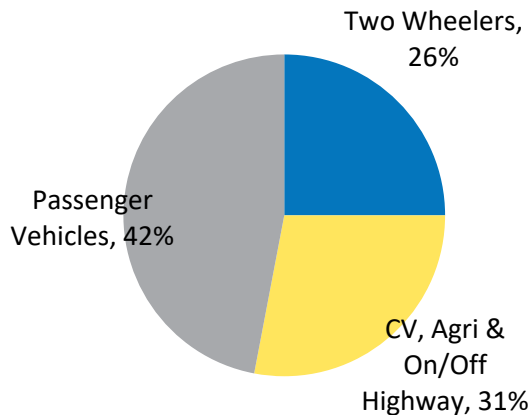
**Commercial, On/Off-Highway, Agri Vehicle Products:**

- THGL specializes in manufacturing high-quality components for commercial vehicle – on and off highway and Agri vehicle engines, transmission gears, and power take-off (PTO) systems.
- Their components are tailored to meet the demanding requirements of rugged environments, providing robust and durable solutions that ensure optimal power delivery and performance.
- Annual capacity of 4.1 million units dedicated to manufacturing transmission gears & shafts, engine gears, and power takeoff components for commercial vehicles, off-highway vehicles, and agricultural vehicles.

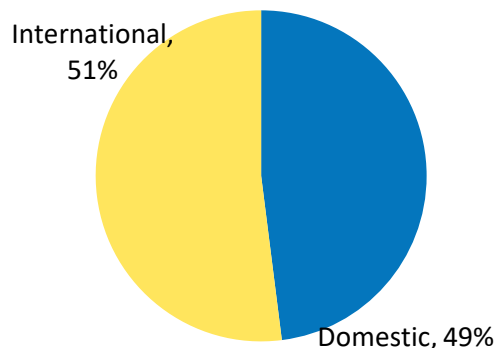
**GROWTH DRIVERS.....**

- Increase share of wallet through enhanced product spread (EV and higher value add) with current customers
- Acquire new customers in both auto and non-auto space to maximize existing capacity utilization
- Enhance operational excellence through TPM pillars, continuous improvement, and internal governance mechanisms
- Improve financial performance metrics through improved margins, debt reduction, and strategic growth
- Focus on building a highly skilled and empowered team.

**FY24 STANDALONE REVENUE CONTRIBUTION (%)**



**FY24 CONSOLIDATED REVENUE CONTRIBUTION (%)**



**PEER COMPARISON (TRAILING 12 MONTHS) INR Mn.....**

Company	Op. Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap.
The Hi-Tech Gears	11,041	1,444	13.11%	1,142	10.37%	14,423
Racl Geartech	4,095	959	23.42%	394	9.62%	12,742
Talbro	7,782	1,146	14.73%	1,099	14.12%	16,204
Shanthi Gears	5,359	1,018	19%	822	15.3%	42,504
Sundram Fasteners	56,663	8,867	15.65%	5,255	9.27%	2,29,544

**INCOME STATEMENT (CONSOLIDATED)**

PARTICULARS (INR Mn)	FY21	FY22	FY23	FY24
<b>Income from Operations</b>	<b>7,455</b>	<b>9,706</b>	<b>11,692</b>	<b>11,069</b>
Total Expenses	6,556	8,889	10,278	9,569
<b>EBITDA</b>	<b>899</b>	<b>817</b>	<b>1,414</b>	<b>1,500</b>
<b>EBITDA Margins(%)</b>	<b>12.06%</b>	<b>8.42%</b>	<b>12.09%</b>	<b>13.55%</b>
Depreciation and Amortization	431	523	822	612
Finance cost	233	264	332	378
Other Income	105	79	79	99
<b>Profit before Extraordinary Items</b>	<b>340</b>	<b>109</b>	<b>339</b>	<b>609</b>
Extraordinary Items	-	-	-	770
<b>Profit Before Tax</b>	<b>340</b>	<b>109</b>	<b>339</b>	<b>1,379</b>
Tax	52	120	108	236
<b>Profit after tax</b>	<b>288</b>	<b>(11)</b>	<b>231</b>	<b>1,143</b>
<b>PAT Margins(%)</b>	<b>3.86%</b>	<b>NA</b>	<b>1.98%</b>	<b>10.33%</b>
Other comprehensive income	157	149	30	18
<b>Total Comprehensive income</b>	<b>445</b>	<b>138</b>	<b>261</b>	<b>1,161</b>
Diluted EPS (INR)	15.34	(0.59)	12.30	60.73

**BALANCE SHEET (CONSOLIDATED)**

EQUITIES & LIABILITIES (INR Mn)	FY22	FY23	FY24	ASSETS (INR Mn)	FY22	FY23	FY24
<b>Shareholder Funds</b>	<b>3,308</b>	<b>3,545</b>	<b>4,662</b>	<b>Non Current Assets</b>	<b>5,924</b>	<b>5,390</b>	<b>4,925</b>
(A) Equity Share Capital	188	188	188	(A) Property, plant & equipment	3,871	3,853	3,417
(B) Reserves & Surplus	3,120	3,357	4,474	(B) Capital work-in-progress	382	132	37
				(C) Right of use assets	271	263	409
<b>Non-current Liabilities</b>	<b>3,296</b>	<b>2,474</b>	<b>1486</b>	(D) Other intangible assets	581	526	478
(A) Financial liabilities				(E) Goodwill	557	314	320
i) Borrowings	2,992	2,196	530	(F) Financial Assets			
ii) Lease Liability	221	205	905	i) Investments	122	122	123
(B) Provision	34	38	38	ii) Loans	3	1	1
(C) Deferred tax liabilities (net)	36	25	3	iii) Other Financial Assets	38	46	86
(D) Other Non-Current liabilities	13	10	9	(G) Deferred Tax Assets (Net)	-	83	-
				(H) Other non- current assets	99	50	54
<b>Current Liabilities</b>	<b>3,419</b>	<b>3,836</b>	<b>2,937</b>	<b>Current Assets</b>	<b>4,099</b>	<b>4,465</b>	<b>4,158</b>
(A) Financial liability				(A) Inventories	1,161	1,235	1,236
i) Borrowings	1,448	2,136	1,416	(B) Trade Receivables	1,739	2,086	2,004
ii) Lease liabilities	45	35	134	(C) Cash & cash equivalents	609	335	140
iii) Trade payables	1,433	1,206	1,076	(D) Bank balance other than above	258	464	399
iv) Other financial liabilities	364	330	222	(E) Loans	5	7	2
(B) Other current liabilities	86	105	52	(F) Other financial Assets	87	87	61
(C) Provisions	43	24	37	(G) Current Tax Assets (Net)	19	28	31
				(H) Other current assets	221	223	285
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>10,023</b>	<b>9,855</b>	<b>9,084</b>	<b>GRAND TOTAL – ASSETS</b>	<b>10,023</b>	<b>9,855</b>	<b>9,084</b>

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